



AG SECURES CONVICTION OF SUE PEARSON FOR MEDICAID FRAUD

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Morrow County in-home caregiver sentenced to 39 months for seven-year Medicaid fraud scheme

Attorney General Hardy Myers today announced the conviction in Morrow County Circuit Court of Susan Pearson on 12 felony counts of Making False Claims for Healthcare Payment and 12 felony counts of Theft in the First Degree.

During a three-day jury trial prosecuted by the Oregon Department of Justice Medicaid Fraud Unit (MFU), evidence established that Pearson, an in-home care giver paid with Medicaid funds, and her co-defendant, Carolyn Elliott, a Medicaid recipient, engaged in a seven-year fraud scheme costing taxpayers over \$100,000.

"Today's conviction and sentencing should send a clear message to those who believe they can defraud the state Medicaid program, an important tool for assisting low-income individuals with health care needs, or Oregon taxpayers," stated Myers.

Starting in 1999, Pearson and Elliott, neighbors in Boardman, Oregon, agreed to a scheme whereby Elliott would pretend to be disabled and Pearson would claim to be providing care-giver services to Elliott, reimbursed by the state Medicaid program. Each year during an annual Medicaid assessment, Pearson and Elliott would report that Elliott was unable to bathe, toilet, cook meals, or even walk without substantial assistance from a caregiver. A year-long investigation revealed that Elliott was not only capable of doing all these activities, but in fact worked raising sheep, bottle-fed calves, and rode horses on a weekly basis, including in local parades. Each month for seven years, Elliott and Pearson would bill the state Medicaid Program for phantom services provided by Pearson and then split the Medicaid payments Pearson received. In 2005, Elliott moved to Condon, Oregon, yet Pearson continued billing Medicaid for daily "caretaking" of Elliott. Evidence presented at trial included statements by Pearson that she and Elliott agreed to "drink coffee and bill the State" and that she thought they would "never get caught because it was a State program."

As a result of the conviction, Morrow County Circuit Judge Jeffrey Wallace sentenced Pearson to serve 39 months in prison and a subsequent sentence of 3 years under post-prison supervision. Judge Wallace ordered Pearson to pay compensatory fines and restitution totaling \$108,225.33 and she was ordered to write a letter of apology to the Oregon Department of Human Services, which administers the state's Medicaid Program. As a result of her conviction, Pearson will be excluded from acting as a caregiver in any capacity paid with Medicaid or Medicare funds.

While Elliott was also charged in the case, she died one month before trial. The charges against her were dismissed.

The case was investigated by MFU, assisted by agents from the U.S. Department of Health and Human Services Office of Inspector General and the Social Security Administration, and staff of the Oregon Department of Human Services. The case was prosecuted in coordination with the Morrow County District Attorney's Office.

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